

## 182      GUIDE TO INVESTMENT AND FINANCE

was fully redressed. In 1905 the sum of about £157,000,000 represented the surplus of our Imports (excluding bullion and specie), and it was then calculated, after laborious examination, that the annual amounts owing to this country in the form of earnings for the use of British ships, commissions and brokerages, reached £100,000,000. The income payable yearly to investors in the United Kingdom as interest upon the collective capital which had then been placed in foreign securities, was computed at about £60,000,000. Again, then, when all the elements of the National account are brought into consideration, an equilibrium is produced between its Assets (or Exports) and its Liabilities (or Imports).

In the year 1907 our Imports (according to the Board of Trade Returns) amounted to £719,000,000 (including gold and silver bullion and specie), while the Exports (with bullion and specie) attained the sum of £586,000,000—thus disclosing an excess of Imports of £123,000,000. Our shipping earnings and services were estimated at £90,000,000, and the interest upon foreign and colonial investments as £100,000,000. Thus, once more, a balance is effected ; indeed, in this year it is shown that our Exports really surpassed the Imports in consequence of an increase in the foreign and colonial securities in which the nation was interested—that is to say, the creation of an augmented indebtedness of foreigners and colonists to this country. It hardly requires to be pointed out again that our shipping functions, our financial services to foreign traders, and the investment of our surplus savings constitute as real and genuine an export of the produce of our capital and labour as though that capital and labour had been embodied in actual merchandise. Money and work are stored up in material goods exported ; equally are they stored up and expressed in services, shipping and, financial", and in the employment of money in foreign securities—that money itself being the production of labour and capital. It is scarcely worthy to expose specifically the ignorant delusion that Imports are discharged by money—the reality being that a portion of the imported goods brought by our vessels to this country are simply and ultimately the payments for work executed by us for foreigners or British colonists—but it is tempting to present a conclusive decision upon the point extracted from the Board of Trade Returns for 1907. The excess of Imports of commodities during that year amounted to £128,000,000 ; the value of the gold and silver bullion and specie imported by us was £73,000,000, while the corresponding value exported of the latter description reached only to £68,000,000. Thus, instead of *paying* for this excess of the Imports of goods (or "balance of trade") in money, we actually *imported*, on balance, a sum of £5,000,000 in *money* (bullion and specie). It may be worth while adding that when British capital is invested in foreign and colonial loans and properties, an equivalent value of commodities is exported as the exchange for the securities thus acquired and transmitted to us. The inquiry may be submitted that, since a British investor, when purchasing a foreign security, discharges the price in England by a cheque (which, of course, is guaranteed by gold), how can the payment be said to embody an export of goods ? The answer is, that the bankers with whom the money is lodged advance it to merchants and manufacturers for the purposes of their business, and they, in turn,